

# Puget Sound Partnership

our sound, our community, our chance

## Legislative Update

*February 27, 2010*

With 12-days left in this 60-day session, tensions continue to mount over the massive budget shortfalls. Revenue packages are being debated and votes are being counted. The bills still alive are either moving fast or not at all.

Below is an update on progress being made for Puget Sound in the Legislature. Although the climate is getting more and more difficult, we remain steadfast in our work to advance legislation and funding for Puget Sound projects. We appreciate the hard work of so many champions working side by side to achieve our common goal of restoring and protecting Puget Sound.

### Senate Operating Budget

Tonight the Senate passed their Operating Budget by a narrow margin: 25-19. This budget adds \$71 million more in spending to the \$30.4 billion proposed in the preliminary budget. Increased spending is possible because of action taken by the Governor earlier this week. She held a bill-signing ceremony Wednesday for Senate Bill 6130, which suspends the provisions from voter-approved **Initiative 960**. Tax increases now requires a simple majority vote, making it easier for legislators to raise taxes to make up for revenue shortfalls. No legislators showed up at the bill signing. The only attendee was Tim Eyman (<http://www.komonews.com/news/local/85266472.html>). Senate Bill 6444 now goes to the House, which could vote on its version of a spending plan in within the next week.

As anticipated, the Puget Sound Partnership was directed to negotiate an agreement with the Recreation and Conservation Office to consolidate or share administrative functions currently performed by each agency independently. The intent of this proposal was also emphasized in the Governor's budget and collaborative negotiations between the two agencies are already in progress. The overall Senate General Fund State level is reduced, negatively impacting outreach and education efforts. Additional General Fund State dollars were also allocated for the implementation of Senate Bill 6347, to analyze the environmental impacts of **seawater desalination** and make recommendations to the Legislature. Our Federal General Fund level was increased, while the Aquatic Lands Enhancement Account and the State toxics control Account were reduced.

One of the highly controversial issues resolved in this budget was the proposed **merger of three natural resource agencies**. Senate Bill 6813 proposed abolishing the State Parks Department and the Department of Fish and Wildlife (DFW)—transferring all powers and duties to the Department of Natural Resources (DNR). Anticipating the passage of this legislation, the original proposed Senate Operating Budget zeroed out the budgets for the two agencies proposed to merge into DNR. However, as of today

the Senate budget no longer assumes passage of SB 6813 and there are now separate budgets for the three agencies in the Senate budget.

Unfortunately, funding for the removal of **derelict fishing gear** in DFW's budget was reduced in half. On the bright side, \$2,555 million was appropriated in the hydraulic project approval account anticipating the passage of Senate Bill 6448, which is Governor's Request legislation to increase fees for hydraulic project permitting. Direction is also given to DFW to work with stakeholders to facilitate the disposal of surplus salmon, the provision of nutrients to food banks, and increase in revenues to regional fisheries enhancement groups. If enacted, a summary of outcomes or recommendations would be due to the Legislature by November 1, 2010. This proviso is in exchange for Senate Bill 6738 and House Bill 2881, which proposed a similar outcome.

DNR was appropriated \$3 million for the **Habitat Conservation Program** and \$600,000 of the **Derelict Vessel Removal** Account was appropriated for the removal of derelict and abandoned vessels that have the potential to contaminate Puget Sound. The Senate maintains funding in the Department of Ecology's budget for **watershed planning grants** to local governments, rather than eliminating the program as proposed by the Governor and House Operating Budget.

The budget is still being analyzed and we will have more updates in the near future about these agencies and others.

### **House Capital Budget**

Earlier in the week the House Capital Budget was released and at the public hearing there was a lot of support for projects specified in our \$10 Capital Budget Proposal for Puget Sound restoration. Several individuals spoke about the importance of the \$10 million as a whole and told stories of their individual projects as examples. There was representation from Kitsap, Mason and King counties.

Unfortunately, the \$10 million requested by our agency and proposed in the Governor's budget did not make it into the House Capital Budget in its current status. The reason is the lack of bonding capacity and the debt limit, which is based upon General State revenues. Depending on the revenue package passed by the Legislature, if revenue to the General Fund is increased, the State's bonding capacity could also increase—which would be more promising for our capital projects. The capital Budget will be closely linked to the Operating Budget and the revenue package(s).

I spoke with Senate staff and Senators about when the Senate Capital Budget would be released and was told the likely date was early this week. We continue advocating for package of projects funded by the \$10 million and await the release of the Senate Capital Budget.

### **Puget Sound Legislation Still Alive**

Our agency request legislation continues to advance through the process—with extensive care and feeding. Senate Bill 6557, which would improve water quality by **reducing the amount of copper in brake pads** is three steps away from being enacted into law. Earlier this week 6557 passed the Senate, 39-8. On Friday the bill passed out of House Appropriations committee and is now in the House Rules committee. The bill must advance through this committee, be voted on in the House floor, then to the Senate for concurrence before being signed into law by the Governor. This has been a very time consuming and collaborative effort, working with a variety of stakeholders including—domestic and

international automobile manufactures, brake pad manufactures, trucking industry, retailers, environmental community, NOAA and many others. If this legislation passes, it will be model legislation for the rest of the nation to reduce toxins from our streams, lakes, rivers and marine environments.

Our legislation to establish and incorporate **marine spatial planning**, Senate Bill 6350, is also steadily advancing. It passed the Senate 44-2 and this afternoon, 6350 passed with strong support by the House Ways and Means Committee. It now must advance by the Rules Committee, before being voted on in the House, sent to the Senate for concurrence, and finally signed by the Governor. Like the copper bill, this legislation will also be a national model and could lead to significant federal funding. The Obama administration has allocated \$20 million for this effort to establish a national ocean policy. Rhode Island and Maryland are the only other states considering similar legislation.

With permission by the Governor, State Natural Resource agencies—including the Partnership and Department of Ecology—are now actively involved in the passage of House Bill 3181. This legislation is referred to as the “**Clean Water Act of 2010**,” would increase the tax on hazardous substances to fund water pollution programs. The current tax was enacted in 1987 by a citizen’s initiative commonly known as the Model Toxics Control Act (MTCA) which has funded millions of dollars in toxic site cleanups over the past 20 years. The rate of the tax has never been increased. The new revenue would go to new Stormwater, Clean Water, Oil Spill Prevention, Puget Sound Recovery and Motor Vehicle Accounts. A significant portion would be deposited in the state’s general fund in the first three years – lessening over time from a high of 69% in 2010 to 0% in 2015. The increased tax would raise approximately \$225 million more per year (over and above the approximately \$120 million/year from the existing tax) by increasing the Hazardous Substances Tax from 0.7 percent to two percent. The tax would be levied on the wholesale value of substances that are the most significant pollutants in stormwater—petroleum, pesticides and other toxic chemicals. The Partnership would receive \$5 million dollars in the second year of the biennium.

Legislation to **eliminate certain boards and commissions**, including the Oil Spill Advisory Council, passed the Senate with strong bipartisan support and is waiting for a hearing in the House Ways and Means committee. Senate Bill 6426 would eliminate more than 70 boards and commissions.

House Bill 2538, **regarding high-density urban development**, is the Senate Rules committee. The legislation would authorize certain planning jurisdictions under the Growth Management Act to include compact development in their comprehensive plans, requires the development of an environmental impact statement for any compact development plan, encourages the establishment of a transfer of development rights program for planning jurisdictions that include compact development in their comprehensive plans and provides funding incentives.

Senate Bill 6520, which would grants the **William D. Ruckelshaus Center** another year to examine and seek to resolve conflicts between agricultural activities and CAOs adopted under the Growth Management Act, is in the house Rules Committee. The legislation would extend a provision that temporarily prohibits counties and cities from amending or adopting critical areas ordinances (CAOs) as they specifically apply to agricultural activities by one year to July 1, 2011.

Legislation to protect the Puget Sound from **derelict fishing and shellfish equipment** passed the House with unanimous support and is currently in the Senate Rules Committee. House Bill 2593 would extend the scope of the coastal commercial Dungeness crab pot removal permit to include Puget Sound and increases enforcement provision to allow prosecution for individuals showing intent to use unlawful

shellfish pots.

### **Governor's Natural Resources Reform Legislation**

The following proposed Governor's bills to advance recommendations from the natural resources reform effort are still alive:

- House Bill 2935 would merge the five Environmental Hearings Offices to two, standardize procedures and dates, and eliminate appeals. It is not currently scheduled for a public hearing and stakeholder briefings are in process.
- Senate Bill 6448 reforms the Hydraulic Permit Application (HPA) requirements under the hydraulic code. The bill establishes fees for the HPA and streamlines the permitting process and is in the Senate Rules Committee.
- House Bill 2442 would restructure three Growth Management Hearings Boards into one and reduce the number of members from 9 to 7. It is currently in the House Rules Committee.
- Legislation has been drafted to authorize the Department of Fish and Wildlife officers to enforce regulations of the Department of Natural Resources.
- House Bill 3023 would move the Pollution Liability Insurance Agency to the Department of Ecology. It is currently in the Senate Committee on Environment, Water & Energy.

The remaining 12-days of session will be intense and long, while the budgets are actively worked on and funding packages are negotiated—and hopefully finalized. Many bills will not advance from Rules and some may suffer from negotiations between the House and Senate. I will do my best to continue to keep you informed. Please feel free to call or email me any time with any questions

Respectfully,  
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